Ban on automatic FDI in real estate

761. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Reserve Bank of India (RBI) has called for a ban on automatic Foreign Direct Investment (FDI) in real estate;

(b) if so, the details thereof and the reasons therefor; and

(c) the action taken by Government on RBI's call?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The information is being collected and will be laid on the Table of the House.

Mandatory quotation of PAN Card

762. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has ordered that irrespective of size, small investors must quote their PAN Card;

(b) if so, what is the aim of Government to target small investors and small savers in numerous ways;

(c) to what extent would Government go to encircle and create favourable conditions for harassment of people in the small and tiny sector;

(d) the steps proposed to review and revoke such hurdles and complications and rules targeting the small investors in the country;

(e) whether it is a fact that large investors and professional risk takers in stock markets are unhindered by such rules; and

(f) the steps proposed to reduce regulatory burden on small investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) In order to address the concerns arising out of the opening up of multiple demat accounts, SEBI had made Permanent Account Number (PAN) mandatory for opening and operating demat accounts. Subsequently, it has made PAN mandatory for all participants transacting in the securities markets as an investor friendly measure and in the interest of enforcement action. This would save an investor from maintaining different identification numbers for different kinds of transactions in securities markets and protect him by preventing market manipulations.

(e) PAN is mandatory for all participants in the securities market.

(f) PAN has been mandatory over a period of time with adequate notice to investors. Further, investors participating only in micro-pension schemes have been exempted from PAN requirement.

Government nominated trustees on various trusts

763. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has nominated a number of officers to serve as trustees on various trusts in different parts of the country;

(b) whether it is a fact that officials nominated as trustees are not attending meetings or discharging their duties properly or colluding with vested interests in the trust properties;

(c) whether it is also a fact that the various trusts related to the Nizam of Hyderabad are being reflected by Government trustees;

(d) what punitive action will Government initiate against officials who reflect their duties as trustees or ultimately ignore public interest; and

(e) the steps proposed to review such roles of officials on Nizam trusts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (e) Information is being collected and shall be laid on the table of the House.

Effect of double digit interest on infrastructure projects

764. SHRI VIJAY. J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government is aware that a double digit interest rate may affect the viability of infrastructure projects where the gestation period is comparatively long;

(b) if so, how the infrastructure projects are going to be funded as commercial banks generally lend for only between three to five years while infrastructure needs long term funds; and

(c) whether Government would resort to external capital borrowing on large scale in infrastructure and similar other important sectors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes Sir, if the prime lending rates are very high then naturally the interest rates on loans for riskier and long gestation infrastructure projects would be much higher. This may indeed affect the viability of infrastructure projects.

(b) Government has already established India Infrastructure Finance Company Limited to take care of the long term loan requirement of infrastructure projects. Government is also encouraging the creation of infrastructure funds to cater to the long term finance needs of infrastructure projects. One such fund has been established under the Finance Ministry's initiative involving Citigroup, Blackstone, IDFC and IIFCL.

(c) Large scale external capital borrowings cannot be resorted to due to the overriding macroeconomic concerns of the Government but Government is examining the proposal of having a more liberal ECB regime especially for infrastructure.

Foreign exchange reserve in the country

765. SHRI JAI PARKASH AGGARWAL: Will the Minister of FINANCE be pleased to state:

(a) the total foreign exchange reserve in the country;

(b) the names of the countries whose currency is available in the foreign exchange reserve of the country;

(c) the amount invested by Reserve Bank of India out of the said reserve during the last three years; and

(d) the impact on the prices of commodities consequent upon not utilizing the said reserve for productive work?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The foreign exchange reserve (including Gold, Special Drawing Rights and Reserve Tranche Position in the IMF) of the country, which stood at US $ 199.18 billion as on March 31, 2007, rose to a level of US $ 270.18 billion.